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Report of the Multi-year Expert Meeting on Transport, Trade Logistics and Trade Facilitation on its third session

Held at the Palais des Nations, Geneva, from 24 to 26 November 2014

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Introduction

1. The third session of the Multi-year Expert Meeting on Transport, Trade Logistics and Trade Facilitation was held at the Palais des Nations in Geneva from 24 to 26 November 2014, as agreed by the Trade and Development Board at its fifty-sixth executive session on 3 and 4 December 2012.

I. Chair's summary

A. Opening statements

2. In his opening statement, the Secretary-General of UNCTAD said that the focus of the meeting, challenges in transport and trade logistics faced by small island developing States (SIDS), was timely in light of the efforts towards achieving a transformative sustainable development agenda after 2015. The meeting was another example of the long-standing work and commitment of UNCTAD to those States. UNCTAD had made it a priority, including at the Third International Conference on Small Island Developing States held in Samoa in July 2014, to raise the profile of transport and trade logistics, not only as a vector of growth and development, but also as a challenge that could seriously compromise their sustainable development prospects. Therefore, against the backdrop of relevant negotiation processes taking place in other international forums, it was imperative to consider in greater detail how best to address this challenge, to decide what steps could be taken to do so and to make policy recommendations.

3. The Director of the Division on Technology and Logistics of UNCTAD said that the momentum generated by the International Year of Small Island Developing States and the Samoa Conference was a continuing one. It was further strengthened by parallel processes of direct relevance to those States, in particular, the twentieth and twenty-first sessions of the Conference of the Parties to the United Nations Framework Convention on Climate Change; the post-2015 framework for disaster risk reduction, known as the Hyogo Framework for Action 2; and negotiations on the proposed sustainable development goals. She noted the strategic economic importance of maritime and air transport for SIDS. Supporting them in their efforts to ensure sustainable and resilient transport systems for the future had become increasingly importance for UNCTAD, as reflected in its recent mandate and a number of recent and ongoing activities. With its long-standing experience in transport, UNCTAD was well positioned to assist those States in mainstreaming their transport and trade logistics concerns into the policy agendas of policymakers, private sector stakeholders and development partners.

B. Small island developing States: Challenges in transport and trade logistics

(Agenda item 3)

1. Transport for trade and tourism: Challenges, intersectoral linkages and response measures

4. The Chief of the Policy and Legislation Section of the Trade Logistics Branch of UNCTAD said that SIDS faced a number of challenges in international, regional and domestic shipping. These included small cargo volumes, trade imbalances, remoteness from major global markets and shipping lanes, infrastructural needs and financing requirements. These generally contributed to higher transport costs and prices. There was a strong link

between transport and tourism, a key source of export earnings. These two sectors were exposed and vulnerable to natural hazards such as cyclones, earthquakes and volcanism, and climatic factors. In this context, disaster risk reduction, enhanced climate resilience and climate change adaptation for coastal transport infrastructure were key. She invited the experts to reflect on how best to follow through on a number of issues, and in light of the outcome of the Samoa Conference, to discuss insights and guidance from the international port industry, collaboration with the insurance industry, and partnerships and cooperation among and between SIDS.

5. Several panellists from SIDS provided further information about the many challenges they faced in transport and trade logistics. The tourism industry was facing increased costs, reduced trade competitiveness and limited access and connectivity. Some of the underlying causes of those challenges were small markets and populations; long distances or remoteness from markets and international shipping networks, as well as between islands; high dependency on global carriers; the lack of a regional strategy and regional transport networks; decreasing foreign direct investment; limited natural resources; high dependency on costly fossil fuel imports; inadequate infrastructure; and limited human and financial capacity. At the same time, transport infrastructures in SIDS were increasingly exposed and vulnerable to natural disasters and the effects of climate change, such as sea-level rise and coastal erosion.

6. Drawing from their national and regional experiences, several panellists presented a number of approaches used by national and subregional groupings and initiatives aimed at addressing these challenges and providing safer, more reliable, competitive and cost-effective shipping services among the islands and externally. These included adopting a hub-and-spoke model and facilitating transhipment services, introducing appropriate technology, providing training on a regular basis for relevant personnel across the industry, forging public–private partnerships to finance infrastructure and setting up regional maritime services aimed at creating an economic area and infrastructure to attract investors, traders, manufacturers and carriers.

7. Three panellists said that SIDS should adopt a regionally integrated approach to implementing the Agreement on Trade Facilitation of the World Trade Organization. One pointed to the need to collaborate at the regional level to develop a maritime security strategy. Financing for infrastructure development was also important.

8. Several panellists and delegations said that UNCTAD should play an enhanced role in supporting and assisting SIDS within its areas of competence, particularly with respect to enabling access to capacity-building facilities and financing mechanisms. It was essential to increase collaboration and work closely with United Nations agencies to better understand the problems of SIDS, ensure that their special needs were expressed in different forums and negotiations, and advise them as to what they could do to help implement the outcomes of intergovernmental meetings.

9. One delegate stated that trade in services, including tourism and offshore financial services, could be particularly important for the future economic development of SIDS. Another delegate drew attention to increasing controversy surrounding offshore financial services in the wake of the global financial crisis. Yet another suggested that the environment was but one among many factors to be considered in the effects of climate change on SIDS. For instance, loss of land caused by climate change, which in turn resulted in migration away from those States, must be considered a threat to security requiring, inter alia, consideration by the Security Council. International financial measures should be tailored to mitigate the effects of climate change, enhance climate security and reduce the number of climate refugees. At the same time, alternative, sustainable, clean and more affordable sources of energy should be promoted to lessen dependency on fossil fuel.

10. With regard to climate change adaptation, the secretariat noted that even small design changes could have a big impact on resilience. There were many examples of non-capital-intensive solutions that could benefit SIDS if such experiences and relevant materials were shared.

11. A representative of the international shipping industry acknowledged the importance of maritime transport in meeting the consumption needs of the SIDS tourism and hospitality sector and of enabling marine-based tourism such as cruise shipping. They played an important role in the international regulation of shipping, particularly at the International Maritime Organization, not only in their capacity as port States with legitimate concerns about environmental protection, but also in their capacity as flag States. Some of them demonstrated high levels of flag performance, despite increased port State control inspections in recent years. Shipping faced enormous economic challenges, some of which were of the industry's own making; others were due to new environmental requirements, which could have implications for the level of service shipping could provide SIDS and for the costs of maritime transport services. With respect to the possible introduction of a system of carbon charging and the Green Climate Fund of the United Nations Framework Convention on Climate Change, the panellist noted that the shipping industry, subject to the adoption of a multilateral agreement and pending certain conditions, would have a role to play in supporting climate change adaptation for ports in developing countries.

12. A panellist from the University of Toulouse outlined key trends in tourism and its linkages with transportation. The establishment of subregional tourism and air-transport hubs and the development of low-cost airlines directly engaged in tourist travel services could be innovative options for SIDS. Further, it was essential for governments to develop sound public–private partnerships within those States to enhance integrated policy interdependence between transport, travel and tourism. Practical suggestions related to the technical choice of air regulation or deregulation, depending on the strategy and tourism capacities of each island State.

13. A representative of the International Air Transport Association emphasized the importance of air connectivity as a key driver for development and a critical asset for SIDS economies. Air transport was a key channel for economic flows that could be outward, but inbound tourism was clearly critical to SIDS. In this context, cost-effectiveness of air transport connectivity, supported by policy, should be considered key criteria.

14. Several panellists from SIDS regions presented national and regional experiences in sea transport, domestic and international air transportation and tourism. They pointed to the challenges posed by the high energy intensity of the tourism sector and high transportation costs, difficulty in adequately maintaining the infrastructure, underdevelopment of waterfronts, the environmental impacts on all modes of transportation and the need for a regulatory framework and institutional reform. These challenges could be overcome by improving the quality and affordability of transport facilities, using regional transport facilities, allowing low-cost airlines and tourism and establishing airline code-share agreements and strategic partnerships. Catering to and protecting local produce to reduce costs, improving customer service and skills in the hospitality sector and adopting a coordinated approach for tourism development were options as well.

15. Two delegations and one panellist recognized the importance of continued foreign direct investment in hotels and the air transport infrastructure of SIDS for the development of their tourism sectors. In response to a question by the secretariat regarding the value of economic benefits for developed economies generated by SIDS tourism, two panellists suggested that developed States should take that factor into account when considering investments in SIDS.

16. One delegate observed that while SIDS were increasingly taking part in multilateral processes on development at the United Nations, UNCTAD could also help bring the issues and needs of SIDS to the attention of the Second Committee of the General Assembly. He stressed the importance of climate change financing and the ability of SIDS to maximize benefits from the Green Climate Fund. It was important to observe the principle of common but differentiated responsibility in order to ensure the transfer of funds from historic emitters of greenhouse gases in the developed world to those least responsible and most likely to be affected by climate change, particularly SIDS.

2. Disaster risk reduction and adaptation to climate change impacts in transport

Disaster risk reduction

17. One panellist, representing the United Nations Office for Disaster Risk Reduction, outlined the main drivers of disaster risks for SIDS, in particular with respect to transport infrastructure and tourism. Globally, losses associated with big disasters remained high, while exposure to economic risks was growing. SIDS accounted for two thirds of the countries suffering the highest annual disaster losses, with average annual losses accounting for 1–9 per cent of gross domestic product. Extensive risks, for example small floods, had a significant impact on economies and should be reduced. Private and public players needed different options for different risks. Other options included preventive measures, insurance (weather-based index insurance system), post-event financing and residual loss financing. The high capital costs of transport infrastructure implied significant replacement and repair expenditures, while intercountry competition aimed at attracting investments weakened the regulatory role of governments. It was crucial to strengthen the rule-making role of government in disaster risk reduction. Further, the latter, including in transport, should be a part of development planning. Risk had therefore less to do with emergency relief and more with development decisions. Assessing a country's risks to natural hazards was important, as was the need to integrate climate change adaptation with disaster risk reduction.

18. The speaker from the Global Facility for Disaster Reduction and Recovery of the World Bank provided an overview of work carried out in risk financing, including in SIDS. There was a gap between investments in emergency response, compared with prevention and preparedness, and it was crucial to narrow this gap. It was important to identify the risks involved and to better understand hazards and vulnerabilities. Risk reduction, preparedness, financial protection, and post-disaster recovery and reconstruction were also important. Reducing risks required the availability of precise and accurate information to make risk assessments. Risk financing required risk modelling, which in turn required geo-localized risk information. Through the post-disaster phase, governments could mainstream disaster-risk-management principles into relevant policies. This called for better interaction between experts in government agencies and ministries. Disaster risk financing and insurance were growing in SIDS but funding was fragmented, and amounts per country were not clearly linked to vulnerability. Combining funding, harmonizing procedures and making financing more accessible and predictable was necessary, and development partners had a role to play in facilitating such access. In this respect, the Small Island States Resilience Initiative was aimed at helping SIDS gain visibility and accessibility to relevant funds for climate change and natural hazard exposure. The sharing of experiences among SIDS was also important.

19. In response to a query by one delegation, one panellist said that all projects were evaluated in terms of disaster risk reduction criteria and that the Initiative offered additional funds for all SIDS with access determined by modalities.

20. A panellist from the United Nations Office for Project Services said that to ensure resilience and sustainability, it was necessary to move away from the concept of

infrastructures as individual assets to that of integrated systems involving interlinked and interdependent networks (e.g. transport and energy linkages). It was important to understand the cascading failure concept – how damage to one system could affect another. Disaster risk reduction was a process, not an outcome. Information and data were required to understand the risks, hazards, likelihood of occurrence and consequences. There was a need to consider the feedback loops whereby information obtained and experiences acquired were fed back into the system. The incorporation of a risk-based philosophy into the development of infrastructure at early stages – before a disaster might strike – was crucial to build capacity.

21. One panellist from the Pacific region said that transport-related challenges were often magnified in the context of disasters. Inadequate or damaged transportation systems could complicate relief and emergency response measures as well as reconstruction and recovery. Civil society, community involvement and the cultural context needed to be taken into account when addressing disaster risks and climate change adaptation. Solutions to challenges in transport could be found locally and outside the transport sector, while minor measures taken early on and investments could help prevent and reduce the impact of disasters. Integrating climate risk assessment into rural planning and development, and mainstreaming climate change, disaster risk reduction and management across sectors were key. While it was important to obtain appropriate and relevant access to global partnerships, SIDS should take ownership of their problems and seek solutions among themselves.

22. One delegation said that SIDS were affected by environmental externalities created by the Western world and that multilateral agencies and Western economies needed to show leadership, in particular in the areas of financing, capacity-building, and knowledge and skill sharing. Assistance in risk underwriting was particularly important when such risks were associated with climate change impacts on transport infrastructure.

23. A panellist from the Indian Ocean Commission informed the meeting about the region's programmes on disaster risk reduction and resilience building. These included a European Union-funded project (Islands Financial Protection Programme) and a new programme, led by the World Bank, to achieve disaster risk reduction and resilience for sustainable development. National buy-in, ownership, local content, the help of expert institutions, technical expertise, capacity-building and a coordinated donor approach were keys to success. It was necessary to clearly identify risks and consider critical infrastructure, namely electricity. UNCTAD and other organizations could help assess the potential impacts of climate change on transport.

24. With regard to disaster risk reduction, one delegation said that being proactive rather than reactive was essential; so was prevention. The international community might consider a binding disaster risk reduction framework and funds to be harmonized in a dedicated fund. The insurance sector had a leading role to play, and providing incentives to the industry would be useful. In this respect, a panellist from the Global Facility noted that regional approaches to insurance could help reduce premium levels through risk pooling. The speaker from the United Nations Office for Disaster Risk Reduction said that the insurance industry was reviewing its approach and considering advancing the capital at the preventive stage. Another delegation noted that the cost of prevention was often much lower than the cost of restoration and that lessons learned from past experiences should be institutionalized and widely disseminated. To be effective, disaster risk prevention, reduction and management required a combination of incentives, regulations, awareness raising and education.

Adaptation to climate change impacts in transport

25. One panellist provided an overview of the findings of relevant chapters of the fifth Assessment Report of the Intergovernmental Panel on Climate Change. Risk was a function

of hazard, vulnerability and exposure, and any change in these factors could change the risk. Current and future climate-related drivers of risk for SIDS included sea-level rise, tropical and extratropical cyclones, increasing air and sea-surface temperatures, and changing rainfall patterns. Coastal systems and low-lying areas would increasingly experience adverse impacts (e.g. flooding), and the exposure of coastal populations and assets to climate-related risks would increase significantly in the coming decades. Adaptation in SIDS could be pursued by reducing socioeconomic vulnerabilities, building adaptive capacity, enhancing disaster risk reduction and building longer-term climate resilience. Adaptation was already occurring, as illustrated by examples from different countries and sectors, including ports. The benefits of adaptation were greater when delivered with other development activities such as disaster risk reduction; further, the international community could help strengthen the ability of SIDS to carry out adaptation and mitigation programmes.

26. A panellist from the Economic Commission for Europe and Latin America said that climate change had implications for international and intraregional transport in the Caribbean. Drawing mainly from two publications by the Commission,[1] the speaker highlighted the challenges facing the transportation system in the Caribbean, including climate change. The impact of changes in temperature and precipitation on total international transport expenditure in Barbados, as well as the impact of a sea-level rise on international transport infrastructure in Montserrat, could be significant. While transport-specific adaptation measures had been implemented in some SIDS – Jamaica, Saint Kitts and Nevis, and Dominica – a number of challenges remained. For example, it was necessary to reduce SIDS's dependence on costly imported fossil fuels for propulsion in transport, in particular maritime transport. This could be done by providing support to finance sustainable shipping. Further, there was a need to involve government in building and operating transport infrastructure and to strengthen public–private partnerships in the sector. Risk-reduction and resilience-building strategies were also important.

27. One delegation observed that the impact of sea-level rise on transport infrastructure in Saint Kitts and Nevis made a strong case for investment in restoration and that hard structures used as sea defences had sometimes proven inadequate, while natural systems such as mangroves had evolved to be more resilient. There should be a middle ground between restoration, replanting and tangible or "hard" developments.

28. A panellist from the United Nations Environment Programme (UNEP) said that environmental threats affecting SIDS could be global (sea-level rise) or local (deforestation). Ecosystems were natural defences that could protect, reduce the viability of hazards and increase resilience. For example, seagrass and corals prevented or reduced beach erosion. The frequency and intensity of hazards could be reduced by ecosystems but these had to be maintained and protected or promoted. Grey infrastructure ("hard" engineering) might be necessary at times, but the combination of grey and green infrastructure should be considered. Ecosystems approaches to adaptation offered "no-regret" options, as they were environmentally friendly and cost effective, required low maintenance, were self-maintained and supported biodiversity.

29. One delegation asked whether there was any uptake of these alternatives in SIDS and whether these were economically and socially viable. In reply, the panellist said that there was an increasing awareness of ecosystem services, and countries were showing interest. However, this had not yet become mainstream. The question remained as to what extent SIDS were including ecosystem-based services in their funding requests. Another

[1] The Economics of Climate Change in the Caribbean, 2011 and *Maritime Sector and Ports in the Caribbean: The Case of CARICOM Countries, 2009*.

delegate said that prevention of climate change was as important as mitigation and adaptation. The panellist from UNEP informed the meeting that a UNEP-led open-access online course on climate change adaptation for SIDS would be launched in January 2015.

30. Speaking on behalf of the Economic Commission for Europe, the UNCTAD secretariat presented an expert group report entitled "*Climate Change Impacts and Adaptation for International Transport Networks*".[2] The Expert Group had been established in 2011 following a joint workshop held by the Economic Commission for Europe and UNCTAD on the subject; it completed its work in 2013. Covering the physical basis of climate change and the varied implications of climate change for transport across modes, the report also presented the results of a government survey, detailed a broad range of selected examples of approaches to adaptation, provided a number of recommendations and reference material for those interested and involved in dealing with climate change impacts on transportation and related adaptation action.

31. A panellist from the International Finance Corporation said that climate finance was a daunting challenge, given projected global warming. There was a large gap between the amount of funds required and those available. Although $330 billion of climate funding had moved from public and private sources to public and private uses in 2014, there was a need for more private finance to fund public and private measures.

32. Mitigation finance was widely available, in particular because adaptation was underreported. Most finance moved from member countries of the Organization for Economic Cooperation and Development and remained in the region. The architecture of climate finance was complex and required simplification to better illustrate the different sources of finance and uses. Once the Global Green Fund became operational, funds would be equally split between mitigation and adaptation uses. The Pilot Programme for Climate Resilience, which aimed to build infrastructure resilience, was the world's the largest adaptation fund; both the Caribbean and the Pacific regions took part in the programme. In response to a question by one delegation, the panellist said that the pilot programme would fund the priority areas identified by countries. As to why adaptation was underfunded, he explained that it could be attributed to differences in reporting and uncertainty of impacts, among other reasons.

33. In the ensuing discussion, participants noted that legislation, regulation and economic incentives should ensure that assets, in particular infrastructure assets, were built with resilience in mind. This could be done at reasonable cost if integrated at an early stage in the planning or decision-making processes. For the private sector, reliable information was a good incentive for autonomous investment. The leverage of information was important, since it could mobilize large amounts of private finance to protect assets worth billions. There was a need to explore creative ways of developing assets with multiple benefits and flows of finance. In some cases and subject to certain conditions, climate funds could be used as concessional money. Overall, a number of instruments were available; their use depended on the features of the projects and national context.

3. Towards a way forward

34. A panellist from the Pacific Islands Forum said that finance was important and linked to all actions supporting the implementation of the SIDS Accelerated Modalities of Action (SAMOA) Pathway and the post-2015 development agenda. Various types of funding were available to SIDS, including grants, loans and savings, as well as funding

[2] Available at http://www.unece.org/fileadmin/DAM/trans/main/wp5/publications/climate_change_2014.pdf (accessed 11 December 2014).

from development partners, including emerging economies such as China, India and the Republic of Korea. The financing needs of SIDS in relation to sustainable development and climate change were relatively large, and more international finance and improved capacity to access, manage and use these funds effectively were required. As the ability of SIDS to attract private finance was often limited, international public finance remained essential, together with private sector participation. Improving domestic resource mobilization capacities and partnering with other SIDS to promote the transition to low-carbon and resilient transport systems in the Pacific was also necessary.[3]

35. A panellist from the UNEP Finance Initiative discussed the role of the insurance sector in driving sustainable development and climate resilience, including in SIDS. The industry, in collaboration with UNEP, had developed a global framework and principles for sustainable insurance. By providing a global road map to develop innovative risk management and insurance solutions, this partnership was a good example of stakeholder involvement in building disaster resilience and promoting sustainable development. An example of an innovative approach involving the insurance industry was a project on the principles for sustainable insurance resilience, which aimed to build disaster-resilient communities and economies. As funding imbalances between pre-disaster resilience investments and payouts for post-disaster relief and recovery remained significant, this approach promoted investment in developing resilience and hazard preparedness early on to reduce the need for recovery expenditure. This approach marked an important shift in focus from post-disaster relief and recovery to disaster risk reduction.

36. A panellist from the University of Tokyo and former Secretary-General of the International Association of Ports and Harbours stressed that enhancing the disaster and climate resilience of coastal transport infrastructure in SIDS was of strategic and critical importance to their sustainable development prospects. Climate change impacts raised particular concerns for port operators and managers, with adaptation to climate change impacts requiring fundamental changes to traditional port planning and development. Port adaptation posed a new challenge to port management. An incremental approach rather than a conventional master-plan approach should be taken to continue updating a cycle of risk assessment and adaptation planning through an action programme. Thus, a way forward for ports in meeting the challenge of climate change and related impacts was to tackle slowness and uncertainty. Joint collaborative efforts for port adaptation were crucial and included in particular increasing awareness of the critical need for port adaptation, setting up an international forum to share experiences, conducting case studies worldwide to gain practical know-how and provide showcases, promoting the development of new technologies and systems for port adaptation and strongly encouraging multilateral and bilateral financing agencies to incorporate adaptation into port projects.

37. One delegation asked to what degree natural ecosystem-based adaptation could complement conventional adaptation in ports. The panellist explained that an approach based on incremental change should be favoured, given current uncertainty over precise climate change impacts on each port.

38. In his panel presentation, the Chief of the Small Island Developing States and Status Issues Section of the Africa, Least Developed Countries and Special Programmes of UNCTAD said that its SIDS programme drew upon the Organization's mandate and aimed to help SIDS build resilience for development and achieve structural progress through diversified and "smart" growth. Despite their established vulnerability, SIDS were yet to be

[3] Examples are the Climate Resilient Islands Partnership and the Strategy for Climate and Disaster Resilient Development in the Pacific and the South Pacific University initiative for sustainable shipping.

clearly defined as a special group benefiting from special attention and treatment. Recognition of their special status should lead to more tangible and effective action that would address the island paradox and middle-income trap that undermined them. Special treatment along the lines of that afforded to least developed countries was necessary. Support for SIDS in requesting special status, a global technical assistance programme for SIDS similar to the Enhanced Integrated Framework and a reform of the graduation rule could provide a way forward. Two delegations endorsed the views expressed by the panellist. One expert said that a coherent and integrated approach was needed when dealing with the definition of SIDS.

39. Speaking on behalf of the Secretariat of the Pacific Regional Environment Programme, the representative from the Pacific Islands Forum described cooperation in the Pacific region with the CARICOM Caribbean Community Centre for Climate Change and the Indian Ocean Commission. The Climate-Resilient Islands Partnership, established in 2011, involved cooperation on dealing with the impacts of climate change, including those affecting transport, trade logistics and trade facilitation. Other partnerships and examples of collaboration included the Pacific Adaptation to Climate Change Programme, the 2012 memorandum of understanding on climate resilience and cooperation with the Commonwealth Secretariat and other international development partners. These initiatives allowed for sharing of lessons learned and experiences, and fostering stronger links between regions and organizations.

40. A representative from the German Agency for International Cooperation described the relevant work carried out by his organization, including technical and financial assistance. SIDS and transport were not areas of particular focus for the Agency but some technical assistance projects could have some relevance for SIDS, for example, projects in the region of the Association of Southeast Asian Nations and technical cooperation on maritime transport in Timor-Leste. He invited SIDS to contact the Agency and make proposals for transport projects with a view to securing financial and technical assistance.

41. Two delegations shared their national experiences in the fields of transport and trade facilitation, in particular the impact of international economic sanctions and the influx of refugees.

C. Conclusion

42. There was wide consensus that the meeting had offered experts an opportunity to reconsider the transport and trade logistics of SIDS and further raise the profile of the sector on the international policy agenda. Many delegations commended UNCTAD for its efforts to support resilience building and the development of SIDS, while several delegations from SIDS praised UNCTAD for its post-Samoa conference agenda, in particular its support in their request for special status, a review of the graduation rules, a global SIDS technical assistance programme and help in facilitating access to financing.

43. The role of regional and interregional partnerships as well as cooperation with international development partners, including South–South and SIDS–SIDS collaboration, were especially important. By allowing for lesson and experience sharing, dissemination of best practices, greater awareness raising and capacity-building, these partnerships provided useful mechanisms to support SIDS. Partnerships dedicated to resilience building, disaster risk financing and climate adaptation were particularly relevant. Development partners, including UNCTAD, were encouraged to join in these efforts and help enhance the effectiveness of such partnerships, including through the sharing of expertise in relevant fields, capacity-building and financial support.

44. A number of experts called for more specific action to ensure that the recognition of SIDS's vulnerability was matched by commensurate financial support and capacity-building.

45. In addition to the aforementioned observations and suggestions arising from the discussions on disaster risk reduction and climate adaptation, participants pointed to the need to raise awareness about residual risks and manage them effectively, as well as to integrate disaster risk management into relevant policies to ensure more resilient recovery and reconstruction. They also suggested that climate adaptation action be integrated with other development activities, such as disaster risk reduction and community-based approaches to development, to achieve better results.

46. Some of the main messages that emerged from the meeting identifying the potential areas of intervention and specific response measures included the following needs:

Transport for trade and tourism

(a) Continue to adopt national, regional and subregional grouping approaches and initiatives, aimed at addressing the challenges faced by SIDS and providing more regular, reliable, competitive and cost-effective shipping services among the islands and externally;

(b) Set up regional maritime services aimed at creating an economic area and infrastructure to attract investors, traders, manufacturers and carriers; adopting a hub and spoke model could help facilitate trans-shipment services;

(c) Collaborate at the regional level to develop a maritime security strategy and adopt a regionally integrated approach to operationalizing and implementing the Agreement on Trade Facilitation of the World Trade Organization;

(d) Improve government's role and participation and establish public–private partnerships for financing infrastructure in SIDS;

(e) Two integrated cross-sectoral strategies could be adopted: establishing tourism and air transport hubs and developing low-cost airlines. Deregulation in both sectors that meet individual sector objectives were also required;

(f) Increase investment in air transport infrastructure and tourism, and introduce appropriate technology and ongoing training of personnel;

(g) Improve customer service and skills in the hospitality sector and ensure that more value is left behind in islands from cruise businesses and air transport.

Disaster risk reduction

(a) Intensify efforts on the prevention side as well as in terms of insurance, post-event financing and residual losses;

(b) Reduce the extensive risks (e.g. small floods and localized landslides), given their disproportionately serious impacts;

(c) Move away from the concept of infrastructure as individual assets to that of integrated systems involving interlinked and interdependent networks;

(d) Take action to narrow or close the large gap between investments in emergency response on the one hand, and investment in prevention and preparedness on the other;

(e) Ensure that disaster risk reduction, including in transport, is part of development planning;

(f) Assess country risks to natural hazards and implement a risk-based philosophy into the development of infrastructure;

(g) Raise awareness about residual risks and manage such risks;

(h) Integrate disaster risk management into relevant policies to ensure more resilient recovery and reconstruction;

(i) Integrate disaster risk reduction and climate change adaptation policies;

(j) Set clear government rules to ensure that the role of government is strengthened;

(k) Invest in acquiring, compiling and making available critical data and information to support relevant action;

(l) Consider approaches that combine incentives, regulation as well as awareness raising and education;

(m) Promote better communication between different government ministries when developing relevant sectoral or departmental policies and involve civil society and local communities;

(n) Institutionalize and disseminate widely lessons learned about prevention versus restoration costs;

Adaptation to climate change impacts in transport

(a) Undertake adaptation by reducing socioeconomic vulnerabilities, building adaptive capacity, enhancing disaster risk reduction and building longer-term climate resilience;

(b) Integrate climate adaptation action into other development activities, such as disaster risk reduction and community-based approaches to development for better results;

(c) Provide appropriate technical assistance to strengthen the ability of SIDS to undertake adaptation action in transport;

(d) Identify and quantify the role of natural ecosystems to enable ecosystem-based adaptation in transport;

(e) Increase awareness of the critical need for port adaptation, set up an international forum to share experiences in port adaptation and conduct case studies worldwide in order to gain practical know-how and for the purposes of risk-assessment;

(f) Adopt an incremental approach rather than a conventional master-plan approach when carrying out port adaptation;

(g) Promote the development of new technologies and systems for port adaptation and encourage multilateral and bilateral financing agencies to incorporate adaptation into port projects;

(h) Provide legislation, regulation and economic incentives to ensure that assets, in particular infrastructure assets, are built with resilience in mind;

(i) Highlight the critical importance of data availability and suitability when dealing with climate change adaptation, including in transport.

Financing, energy, cooperation, partnerships and South–South links

(a) UNCTAD should continue to assist SIDS, particularly with respect to enabling them to access capacity-building facilities and available financing mechanisms;

(b) Scale up and promote international public finance and private sector participation;

(c) Improve domestic resource mobilization capacities;

(d) SIDS should be able to maximize the benefits arising from the Green Climate Fund;

(e) Promote a coordinated donor approach;

(f) SIDS should take ownership of their problems and, in addition to global partnerships and financial mechanisms, seek financial solutions at the local and country levels;

(g) Provide assistance in climate and disaster risk underwriting;

(h) Leverage information to mobilize large amounts of private finance;

(i) Consider creative ways of developing assets with multiple benefits and flows of finance;

(j) Take steps to help reduce SIDS's heavy reliance on expensive fossil-fuel imports;

(k) SIDS should invest in alternative energy sources across sectors, and such investment should be supported;

(l) Support the financing of sustainable shipping;

(m) Increase coordination of work across United Nations agencies to better understand the problems faced by SIDS and ensure that their special needs are reflected in discussions and negotiations;

(n) Address the island paradox and middle-income trap that undermine SIDS;

(o) Support the granting of special treatment to SIDS along the lines of that afforded to LDCs;

(p) Support the plea of SIDS for SIDS status and a global technical assistance programme for SIDS;

(q) Share country experiences and best practices;

(r) Support more effective partnerships and cooperation mechanisms at the interregional level, among SIDS and with international development partners.

II. Organizational matters

A. Election of officers

(Agenda item 1)

47. At its opening plenary, on 24 November 2014, the multi-year expert meeting elected Mr. Martin Eze (Nigeria) as its Chair and Mr. Ralph Osterwoldt (Canada) as its Vice-Chair-cum-Rapporteur.

B. Adoption of the agenda and organization of work

(Agenda item 2)

48. Also at its opening plenary, the multi-year expert meeting adopted the provisional agenda contained in TD/B/C.I/MEM.7/7, as follows:

1. Election of officers
2. Adoption of the agenda and organization of work
3. Small island developing States: Challenges in transport and trade logistics
4. Adoption of the report of the meeting

C. Outcome of the session

49. At its closing plenary, on 26 November 2014, the multi-year expert meeting agreed that the Chair should summarize the discussions.

D. Adoption of the report of the meeting

(Agenda item 4)

50. At its closing plenary, the multi-year expert meeting authorized the Vice-Chair-cum-Rapporteur, under the authority of the Chair, to finalize the report after the conclusion of the meeting.

Annex

Attendance*

1. Representatives of the following States members of UNCTAD attended the expert meeting:

Afghanistan
Azerbaijan
Barbados
Belarus
Benin
Brazil
Canada
Chile
China
Côte d'Ivoire
Cuba
Dominican Republic
Ecuador
Estonia
Fiji
Guatemala
Indonesia
Jordan
Kazakhstan
Madagascar
Maldives
Mauritius
Morocco
Myanmar
Nepal
Nigeria
Oman
Papua New Guinea
Saint Lucia
Saudi Arabia
Senegal
Solomon Islands
Spain
Sudan
Trinidad and Tobago
Turkey
Vanuatu
Venezuela (Bolivarian Republic of)

2. The following intergovernmental organizations were represented at the session:

African, Caribbean and Pacific Group of States
European Union
Intergovernmental Standing Committee on Shipping
Pacific Islands Forum Secretariat
South Centre

3. The following United Nations organs, bodies and programmes were represented at the session:

Economic Commission for Latin America and the Caribbean
United Nations Environment Programme
United Nations Office for Disaster Risk Reduction
United Nations Office for Project Services

4. The following specialized agencies and related organizations were represented at the session:

International Finance Corporation
World Bank Group

5. The following non-governmental organizations were represented at the session:

* This attendance list contains registered participants. For the list of participants, see TD/B/C.I/MEM.7/INF.3.

General category

Consumer Unity and Trust Society International
International Network for Standardization of Higher Education Degrees
Village Suisse ONG

Special category

International Air Transport Association
International Chamber of Shipping
International Federation of Freight Forwarders Associations
International MultiModal Transport Association
International Ocean Institute